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NEWS RELEASE

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BANKERS GATHER TO DISCUSS DISASTER PREPAREDNESS *Earthquakes, floods, pandemics and more included in discussion*

FRANKFORT, Ky. (Oct. 18, 2007) – About 120 bankers and regulators from five states gathered in Cadiz, Ky., Tuesday to exchange ideas about the potential risks to financial institutions posed by a major disaster and the sources of assistance available should such an event occur.

Attendees were all from states in the New Madrid seismic zone, which spans the Mississippi River and was the site of a series of major earthquakes nearly two centuries ago.

The Kentucky Office of Financial Institutions (OFI) and the Kentucky Bankers Association co-hosted the forum, "Issues Bankers Face in a Disaster," at Lake Barkley State Resort Park.

Speakers discussed issues that arose during the Hurricane Katrina disaster and examined potential risks and sources of assistance in western Kentucky and surrounding areas. The goal was to broaden the safety net for financial institutions and facilitate communications across state lines.

"It is difficult to predict what could happen if disaster strikes – whether in the form of an earthquake, flood or other natural or man-made occurrence," said OFI Executive Director Cordell Lawrence. "But we can make ourselves ready, and we can have contacts in place so we know who to call for help. We hope now a solution will be at hand if the unthinkable should ever occur."

Speakers included several who worked through Hurricane Katrina – Guy Williams, president of Gulf Coast Bank & Trust in New Orleans, La.; Sid Seymour, chief examiner of the Louisiana Office of Financial Institutions; and Anthony Lowe, Federal Deposit Insurance Corp. (FDIC) deputy regional director in Dallas, Texas.

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They spoke about the lessons they learned from their experience, such as how to facilitate communication when regular services are interrupted. Hurricane Katrina taught them that having an up-to-date disaster plan in place is of paramount importance, they said.

Valerie Abend, of the Office of Critical Infrastructure Protection and Compliance Policy in the U.S. Treasury Department, discussed the importance of building coalitions between agencies and maintaining an ongoing dialogue about disaster-related issues.

This discussion resumed at lunch, when state department commissioners, representatives from the FDIC and the Federal Reserve and program speakers gathered to discuss a regional coalition for addressing potential disasters.

Other presentations dealt with disasters such as pandemics, earthquakes and floods.

Stan Cave, chief of staff to Governor Ernie Fletcher, discussed the precautionary measures the state has taken to deal with the possibility of flooding during the repairs to Wolf Creek Dam. He outlined specific steps the government has taken to protect the public and the economy.

Ed Pearce of the Federal Reserve in St. Louis, Mo., talked about crisis management during a pandemic. A pandemic, which is likely to affect a broader area than other disasters, requires a different approach to preparedness, including planning for the possibility that neighboring entities might be unable to provide assistance if they are affected as well.

Lori King of Kentucky Disaster Management Services discussed the potential impact of an earthquake along the New Madrid Fault Line. She presented steps in the creation of an emergency preparedness plan and offered disaster planning assistance to banks and other businesses.

The conference concluded with a presentation by Donald Fisher, author of “Homeland Security Assessment Manual.” Fisher, who is executive director of MSQPC – The Quality Center, in Memphis, Tenn., gave participants five reasons to prepare a business continuity plan and emphasized the importance of being ready for any contingency.

“I hope participants learned from this conference the importance of continuous planning,” said OFI director Lawrence. “Planning is key to mitigating the impact to customers by ensuring minimal disruption to banking operations.”

OFI is an agency of the Department of Public Protection in the Environmental and Public Protection Cabinet. It licenses, charters and regulates the activities of state-chartered/licensed depository and nondepository financial institutions.



Guy Williams, president of Gulf Coast Bank & Trust in New Orleans, La., speaks about Hurricane Katrina at the Issues Bankers Face in a Disaster event on Oct. 16, 2007.
OFI Executive Director Cordell Lawrence looks on.



Attendees listen during the Issues Bankers Face in a Disaster event on Oct. 16, 2007.